WHY INVESTING IN MENTAL HEALTH WILL CONTRIBUTE TO CANADA'S ECONOMIC PROSPERITY AND TO THE SUSTAINABILITY OF OUR HEALTH CARE SYSTEM

BACKGROUNDER - KEY FACTS

Mental Health Commission of Canada
Commission de la santé mentale du Canada

In any given year, one in five people in Canada experiences a mental health problem or illness, with a cost to the economy well in excess of $50 billion. This represents 2.8% of 2011 GDP.

Mental health problems and illnesses impact almost everyone in some way.

- More than 6.7 million people in Canada are living with a mental health problem or illness today; that is one in five persons, or about 19.8% of Canada's population in any given year.[1]
- Of these, about 1 million are children and adolescents between the age of 9 and 19 years of age.[2]
- Over the course of a lifetime, more than 4 out of 10 or 43% of people in Canada experience a mental health problem or illness.[3]
- If we include the impact on families and caregivers, almost everyone is impacted.

The economic costs of mental health problems and illnesses are very significant.

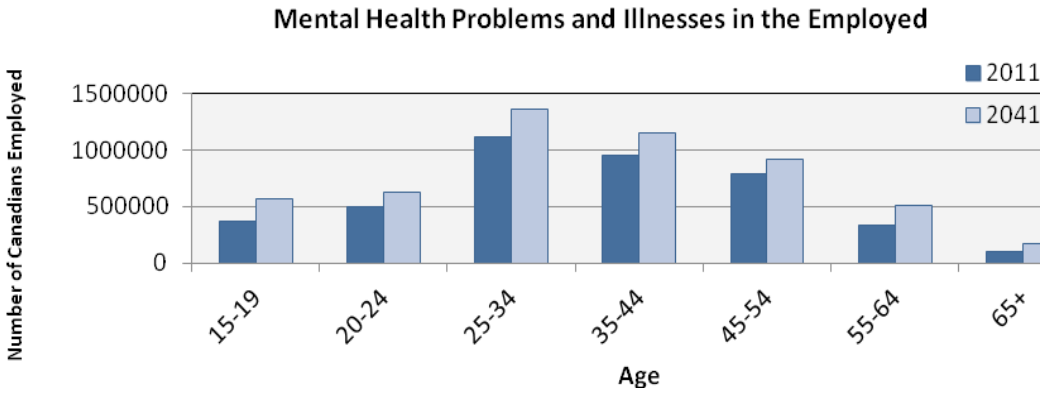
- The total cost from mental health problems and illnesses to the Canadian economy is conservatively estimated to be at least $50 billion per year.[4]
- This represents 2.8 % of GDP.[5]
- A soon-to-be-released study by the Mental Health Commission of Canada found that about $42.3B was spent in 2011 on providing treatment, care and support services for people with mental health problems and illnesses. These cumulative costs over the next 30 years are expected to exceed $2.3 trillion in current dollars.[6]
- The Public Health Agency of Canada recently reported that among the seven major health conditions, mental health problems and illnesses had the highest total direct care costs in Canada and were the third leading contributor to the total annual economic burden of the seven conditions.[7]
- A 2008 study found that people living with a mental illness (diagnosed or undiagnosed) utilized more GP visits, specialist visits and hospital days, on average, compared to those without a mental illness. The average medical cost per capita was $2,515 for those who with a diagnosed mental illness, $1,442 for those with an undiagnosed mental illness, and $643 for those without a mental illness.[8]

$50 billion is a conservative estimate of the economic costs of mental illness because no one study has yet included the full range of costs.

- None of the major studies to date have included costs to the criminal justice system, schools or child welfare.
- Studies vary in whether they measure only direct health and social care costs or also include income support; in how they estimate productivity losses; in whether they include private insurance claims as well as public disability payments; in the range of illnesses they incorporate and whether or not they include dementia; and whether they calculate losses to quality of life and the cost of caregiving.

The impact of mental health problems and illnesses are especially felt in workplaces and among working aged people, impacting employers, employees and taxpayers.

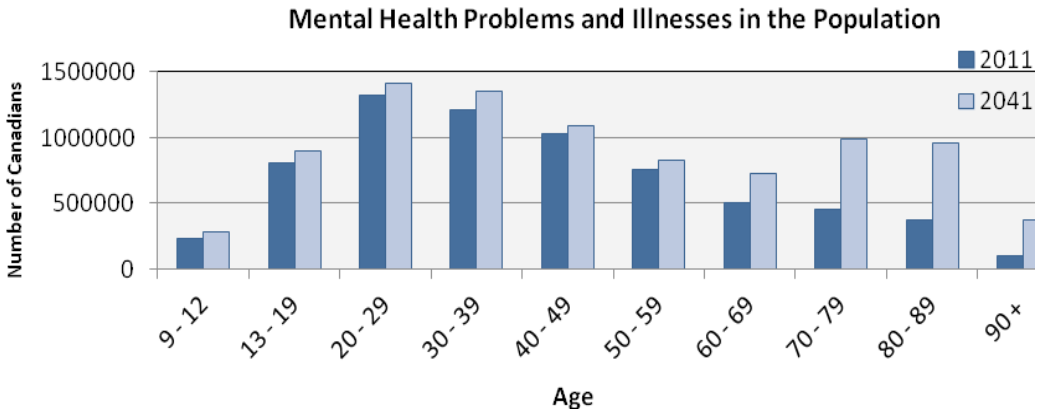
- About 21.4% of the working population currently experience mental health problems and illnesses that potentially affect their work productivity. Adults in their early and prime working years are among the hardest hit by mental health problems and illnesses.[9]



- A conservative estimate of the impact of mental health problems and illnesses on lost productivity due to absenteeism, presenteeism (present but less than fully productive at work) and turnover is about $6.3B in 2011; this will rise to $16B in 2041. The cumulative impact of these costs over the next thirty years is estimated at $198B in current dollars.[10]
- Mental health problems and illnesses typically account for approximately 30% of short- and long-term disability claims and mental health problems and illnesses are rated one of the top three drivers of both short- and long-term disability claims by more than 80% cent of Canadian employers.[11,12]
- In 2010, mental health problems and illnesses were responsible for 47% of all approved disability claims in the federal civil service, almost double the percentage of twenty years earlier.[13]
- An additional and yet unmeasured impact on working population productivity is expected from people in the labour force who will increasingly need to care for aging parents with dementia.[14]

Mental health problems and illnesses have a long term economic impact because of their early onset.

- Up to 70% of young adults report that mental health problems and illnesses began in childhood or adolescence.[15]
- Mental health problems and illnesses are most prevalent in the early working years.
- Children who experience mental health problems or illnesses are at much higher risk of experiencing an illness as adults, and are also more likely to have other complicating health and social problems. For example:
  - Children with conduct disorders are eight times more likely to develop ADHD as teenagers.[16]
  - Teens with ADHD are twice as likely as other children to develop anxiety or a substance use disorder as adults.[17]
- A recent report in the U.S. estimated that the lifetime economic cost of childhood mental health problems and illnesses was $2.1 trillion, which with our smaller population would roughly translate to $200 billion in Canada.[18]



Investing wisely in programs for which there is already good evidence will make a difference. A soon-to-be-released Mental Health Commission study predicts that if we reduce incidence by an average of 10% (recognizing that this target is very achievable with some mental health problems and illnesses and less so in others), after 10 years we can expect an annual reduction of $1.7B in total economic costs from the impact of mental health problems and illnesses.[a] After 30 years the cost reduction increases to $4.7B every year. By increasing remission rates by 10%, we can save another $1.2B every year after 30 years.[19]

There is strong evidence that promotion, prevention and early intervention targeted at children and families can produce significant net cost benefits.[20] A few examples are:

- In the United Kingdom, preventing conduct disorders in one child through early intervention has been found to result in lifetime savings of £230,000 (C$365,000).[21]
    - With 85,000 children in Canada currently estimated to experience a conduct disorder, if proven programs were just to prevent 10% of this incidence (8,500 conduct disorder cases) as much as C$3.1B in potential lifetime savings could be realized. These are savings from the criminal justice system, health system, and increases in lifetime earnings.
    - A Canadian province wide study of Triple P parenting program found that this program had the potential to avert 26% of cases of conduct disorder and that it would only take 1.6% of cases to be diverted for the program to pay for itself.[22]
- Improving one child's mental health from moderate to high has been found to result in lifetime savings of $140,000.[23]
- Parent education and family support, such as home visits along with early childhood education, result in better outcomes for mental health problems and illnesses such as depression and anxiety, with return on investment ratios ranging from $1.80 to $17.07 for every dollar invested.[24]

Programs that help people access treatment early, or help them stay out of hospital or out of the criminal justice system can be very cost effective. A few examples are:

- A study of early psychosis intervention found that its participants were much more likely to be in paid employment than their peers who had not received this service, and that the health care costs to treat each person were about $6,300 less per year ($3,566 for those in early psychosis program and $9,836 for those not in the program).[25]
- Prevention programs for juvenile offenders have been demonstrated to have net cost benefits ranging from $1,900 to $31,200 per youth.[26]
- A research study in south-western Ontario on outcomes following a long-term hospital stay evaluated the impact of transitional discharge planning combined with peer support. Individuals in the group receiving peer support were discharged on average 116 days sooner from hospital than the control group who did not have access to this program.[27]
- A 2011 United Kingdom Department of Health study found that providing supported housing after discharge from hospital for people with moderate mental health needs generated estimated savings of £22 000 (C$35,000) for each person per year across the wider health and social care system.[28]
- An Ontario study of its Assertive Community Treatment programs (a highly specialized form of intensive case management in the community) reports an 82% decline in hospitalizations in four years among these program participants.[29]

[a]Savings are related to public expenditures in health care, social services and income support, as well as productivity gains.

There is growing evidence of the potential size of returns from undertaking workplace and employment support initiatives:

- The UK National Institute for Health and Clinical Excellence (NICE) estimates that improving the management of mental health in the workplace including prevention, early action to combat stress and early identification of problems could decrease losses to productivity by as much as 30% and result in annual savings of £250,607 (C$397,713) in an organization of 1000 employees.[30]
- People with serious mental health problems and illnesses who receive individualized support to find employment are nearly 3 times more likely to be in competitive employment than those who did not receive this support. This is particularly significant in light of the fact that as many as 90% of people with serious mental health problems and illnesses have traditionally been excluded from the labour force.[31]

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